ESTIMATED REVENUE EFFECTS OF S. 3152, THE "COMMUNITY RENEWAL AND NEW MARKETS ACT OF 2000"

Fiscal Years 2001 - 2010

[Millions of Dollars]

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
Incentives for Distressed Areas													
A. Tax Incentives for Renewal Zones and													
Empowerment Zones - Extend present-law													
empowerment zone designations,													
through 12/31/09 and the D.C. Zone through													
12/31/06; beginning in 2002, 30 new renewal zones													
to be treated the same as empowerment zones;													
beginning in 2002, 15% wage credit to all zones													
(2003 for the D.C. enterprise zone and 2005 for the													
Los Angeles and Cleveland zones); beginning in													
2002, increase the additional section 179 expensing													
to \$35,000 for all zones; beginning in 2002, extend													
the more favorable round II tax exempt financing													
rules to all zones except the D.C. Zone; provide all													
zones with a 0% capital gains rate on qualifying													
assets held more than 5 years subject to an													
aggregate \$25 million per taxpayer limit (beginning													
in 2002 for new zones) expand the D.C. Zone 0%													
capital gains treatment citywide; conform the gross													
income test for D.C. businesses eligible for 0%													
capital gains to the test for enterprise zone													
businesses; increase the phaseout for D.C.													
homebuyer credit for joint filers to													
\$140,000-\$180,000; extend the D.C. homebuyer	DOE [1] &												
credit through 12/31/03	tyba 12/31/00	-5	-387	-780	-780	-868	-995	-1,055	-1,259	-1,645	-1,320	-2,819	-9,092
B. Funding Entitlement for Round II Empowerment						_							
Zones [2]		-2	-34	-44	-15	-5	-4	-1				-100	-106
C. New Markets Tax Credit - provide new markets tax													
credit with allocation authority of \$1.0 billion in 2002,													
and \$1.5 billion in 2003 through 2006	qima 12/31/01		-5	-21	-113	-225	-318	-371	-396	-406	-392	-365	-2,248
D. Extend and Modify Puerto Rico Economic Activity		_											
Tax Credit	tyea 12/31/00	-4	-16	-34	-58	-87	-97	-87	-69	-45	-16	-199	-513
E. Establish Individual Development Accounts -													
provide financial institutions with a 90% tax credit for													
matching a maximum contribution of \$300 per			404		07.4	201	40:					.=-	
account; sunset 12/31/05	tyba 12/31/01		-131	-277	-274	-291	-161	[3]	[3]	[3]	[3]	-973	-1,134

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
F. Additional Incentives													
Additional incentives Beliminate tax on awards under National Health													
Service Corps Scholarship Program and F. Edward													
Hebert Armed Forces Health Professions													
Scholarship and Financial Assistance Program	eara 12/31/93	-2	-1	-1	[3]	[3]	-1	-1	-1	-1	-1	-4	-9
2. Extend present-law section 170(e)(6) relating to													
corporate contributions of computer equipment													
through 12/31/03; expand list of eligible donees to	/ 505	40			4-	•							005
include public libraries		-46	-83	-89	-45	-2		40				-265	-265
Extend the adoption credit through 12/31/03 Tax Treatment of Alaska Native Settlement Trusts		 -3	-69 -3	-237 -3	-188 -3	-24 -3	-22 -3	-19 -3	-8 -3	 -3	 -4	-518 -15	-566 -32
Treatment of Alaska Native Settlement Trusts Treatment of Indian tribes as non-profit	DOE	-3	-3	-3	-3	-3	-3	-3	-3	-3	-4	-15	-32
organizations and State or local governments for													
purposes of the Federal Unemployment Tax [2]	[4]	-20	-10	-9	25	2	2	[3]	2	1	[5]	-14	-9
6. Additional funding for Social Services Block	[-1]	20		9	20	_	_	[0]	_		[0]	1-7	J
Grant [2]		-623	-70	-7								-700	-700
Total of Incentives for Distressed Areas		-705	-809	-1.502	-1.451	-1.503	-1.599	-1.537	-1.734	-2.099	-1.733	-5.972	-14,674
Total of mochaves for bishessed Areas		700	000	1,002	1,401	1,000	1,000	1,007	1,704	2,000	1,700	0,512	14,014
Tax Incentives for Affordable Housing													
A. Low-Income Housing Tax Credit - increase per													
capita credit to \$1.75 in 2001 and indexed for													
inflation thereafter; \$2 million small State minimum													
beginning in 2001 and indexed for inflation													
thereafter; modify stacking rules; certain Native American housing assistance disregarded in													
determining whether building is Federally													
subsidized for purposes of the low-income housing													
credit	generally cyba 12/31/00	-17	-85	-206	-355	-519	-698	-893	-1,103	-1,330	-1,572	-1,181	-6,776
B. Tax Credit for Renovating Historic Homes	epoiba 12/31/01	-17	-82	-85	-85	-85	-86	-87	-88	-1,550	-91	-337	-0,770
C. Exclusion From Gross Income for Certain Forgiven	ope.sa :2/0://o:							0.			٠.		
Mortgage Obligations - provide an exclusion from													
discharge of indebtedness income to the extent													
such income is attributable to the sale of real													
property securing qualified residential indebtedness	doia DOE	-2	-6	-6	-6	-7	-7	-7	-7	-8	-8	-27	-64
D. Mortgage Revenue Bonds													
 Increase purchase price limit to greater of 90% of 													
average area purchase price or 3.5 times the													
applicable median family income	bia DOE	-4	-10	-18	-26	-36	-46	-58	-69	-81	-91	-93	-439
For damaged residences in Presidentially declared													
disaster areas, waiver of first-time homebuyer													
requirement, treatment as economically distressed													
for purposes of applying income and purchase price													
limits, and increase limitation on home improvement loans to \$100,000 [6] [7]	bia 12/31/00	-3	-7	-12	-17	-24	-31	-38	-46	-54	-61	-62	-293
E. Provide Tax Exemption for Organizations	DIA 12/31/00	-3	-1	-12	-17	-24	-31	-30	-40	-54	-01	-02	-233
Created by a State to Provide Property and													
Casualty Insurance Coverage for Property for													
Which Such Coverage is Otherwise Unavailable	tyba 12/31/00	-2	-4	-4	-5	-5	-6	-7	-8	-8	-9	-20	-58
-	,		-194	-331	-494		-874	-1,090	-1 224	_	-1,832		
Total of Tax Incentives for Affordable Housing		-28	-194	-331	-494	-676	-8/4	-1,090	-1,321	-1,569	-1,832	-1,720	-8,407

	Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
_	A CONTRACTOR OF THE CONTRACTOR													
	x Incentives for Urban and Rural Infrastructure													
Α.	Private Activity Bond State Volume Limits -													
	increase annual State volume cap to the greater of \$75 per resident or \$225 million in 2001; index for													
	inflation thereafter	cyba 12/31/00	-31	-143	-261	-356	-440	-512	-567	-615	-665	-712	-1,231	-4,303
ь	Expensing of Environmental Remediation	Cyba 12/31/00	-31	-143	-201	-356	-440	-512	-567	-015	-000	-/ 12	-1,231	-4,303
Б.	Expenditures and Expansion of Qualifying Sites - for													
	expenditures incurred before 2004 ("Brownfields")	DOE & epoia DOE	-13	-97	-225	-165	-39	-1	5	17	17	12	-538	-489
C	Broadband Internet Access Tax	eia 12/31/00 &	-13	-31	-225	-105	-33	-1	J	17	17	12	-550	-403
Ο.	Credit		-59	-343	-500	-433	-131	8	7	5	4	3	-1,467	-1,440
D	Tax Credit Bonds for the National Railroad	Cla 12/31/01	-00	-040	-300	-400	-101	U	,	3	7	3	-1,407	-1,0
υ.	Passenger Corporation ("Amtrak") - \$1 billion tax													
	credit bonds per year	bia 9/30/00	-13	-82	-156	-221	-290	-360	-429	-499	-569	-639	-762	-3,259
F	Contributions in Aid of Construction		-12	-19	-18	-17	-17	-16	-16	-15	-15	-15	-83	-160
	Reduce the Depreciation Period for Leasehold	ala 50L	12	10	10	.,	.,	10	10	10	10	13	00	100
•	Improvements to 15 Years	ppisa 12/31/06							-70	-249	-458	-647		-1,425
_	·	• •	400	004	4 400	4 400		004					4 004	•
10	tal of Tax Incentives for Urban and Rural Infrastructure		-128	-684	-1,160	-1,192	-917	-881	-1,070	-1,356	-1,686	-1,998	-4,081	-11,076
Ta	x Relief for Farmers													
	Farm, Fishing, and Ranch Risk Management													
,	("FFARRM") Accounts	tyba 12/31/00	-3	-73	-136	-179	-146	-113	-66	-30	-6	-6	-539	-760
В	Written Agreement Relating to Exclusion of Certain	1,54 12,61,66	J	7.0	100		1 10	110	00	00	· ·	Ū	000	700
٥.	Farm Rental Income From Net Earnings from													
	Self-Employment	tyba 12/31/00	[3]	-3	-3	-3	-3	-3	-3	-3	-3	-3	-11	-27
C.	Treatment of Conservation Reserve Program	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	[-1											
-	Payments as Rental From Real Estate	pma 12/31/00		-73	-72	-73	-74	-75	-75	-76	-93	-100	-292	-711
D.	Exemption of Small Issue Agricultural Bonds From	·												
	State Volume Cap [6]	bia 12/31/00	[3]	[3]	[3]	-1	-1	-1	-2	-2	-2	-2	-2	-11
E.	Modifications to Section 512(b)(13) - modify section				• •									
	512(b)(13) to exempt income received by a													
	tax-exempt organization from certain subsidiaries													
	when fair market value pricing is used, excess of													
	fair market value subject to UBIT and 20% penalty													
	tax, and extension of transition relief for certain													
	binding contracts	DOE & proaa 12/31/00	-8	-11	-11	-11	-11	-12	-12	-12	-13	-13	-52	-114
F.	Charitable Deduction for Contributions of Food													
	Inventory - increased deduction for farmers'													
	contributions of food inventory to fair market value;													
	determination of fair market value would be made													
	without regard to lack of market; sunset for													
	taxable years beginning after 12/31/03	tyba 12/31/00	-17	-24	-29	-15	-1						-86	-86
G.	Coordinate Farm Income Averaging and the AMT													
	and Provide the Same Income Averaging Relief to													
	Commercial Fishermen	tyba 12/31/00	-1	-2	-2	-2	-3	-3	-4	-5	-6	-7	-9	-33
Н.	Cooperative Marketing Included Value-Added				_	_		_	_	_				_
	Processing Through Animals	tyba DOE	-1	-1	-2	-3	-4	-5	-6	-8	-10	-13	-11	-53
I.	Declaratory Judgment Relief for Section 521	DO-						-m						
	Cooperatives		04	20		20			ncluded in				140	200
J.	Modify Small Ethanol Producer Credit	tyba DOE	-21	-32	-32	-32	-32	-32	-32	-32	-32	-32	-148	-308

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
K. Modification of Payments of Dividends on Stock of													<u> </u>
Cooperatives Without Reducing Patronage													
Dividends	di tyba DOE	[3]	[3]	-1	-1	-1	-1	-2	-2	-3	-4	-3	-16
Total of Tax Relief for Farmers	•	- 51	-219	-288	-320	-276	-245	-202	-170	-168	-180	-1,153	-2,119
Tax Incentives for the Production of Energy													
A. Election to Expense Geological and Geophysical													
Expenditures and Delay Rental Payments	tyba 12/31/01		-60	-83	-75	-77	-72	-64	-63	-65	-67	-295	-627
B. 5-Year Net Operating Loss Carryback for Losses	12/01/01		00	00	, ,		12	0-1	00	00	01	200	021
Attributable to Operating Mineral Interests of													
Independent Oil and Gas Producers	tyba 12/31/01		-41	-64	-70	-74	-74	-73	-72	-71	-70	-249	-609
C. Temporary Suspension of Limitation Based on 65%	1950 12/01/01		71	04	70	, ,	, ,	70	'-		70	240	000
of Taxable Income Through 12/31/03	tyba 12/31/00	-32	-51	-53	-19							-155	-155
D. Tax Credit for Marginal Domestic Oil and Gas Well	1754 12701700	02	01	00	10							100	100
Production	tyba 12/31/00		-8	-4								-12	-12
E. Clarify Application of the 7-Year Cost Recovery	1754 12701700		O	7								12	12
Period for Natural Gas Gathering Lines	ppiso/a DOE -					Ne	ealiaible Ri	evenue Ef	fect				
F. Exclude Income From the Transportation of Oil and	pp100/4 DOL					740	giigibio i k	overide Li	1001				
Natural Gas by Pipeline from Subpart F Income	tyba 12/31/01		-1	-4	-13	-15	-17	-20	-23	-25	-28	-33	-146
	,		· ·	-									_
Total of Tax Incentives for the Production of Energy		-32	-161	-208	-177	-166	-163	-157	-158	-161	-165	-744	-1,549
Exclude 50% of Gain on Sales of Land or Interest in Land or Water to Eligible Entities for Conservation Purposes	sa 12/31/03				-39	-89	-93	-98	-102	-107	-111	-128	-639
B. Expand the Estate Tax Exclusion for Real Property													
Subject to a Qualified Conservation Easement C. Exclude From Gross Income Cost Sharing Payments	dda 12/31/01			-30	-31	-32	-34	-36	-38	-40	-43	-93	-284
Under the Partners for Wildlife Program	pra DOE	-2	-2	-2	-3	-3	-3	-3	-3	-3	-3	-12	-26
D. Deduction for Energy-Efficient Commercial Business	t.t 40/04/00	54	7.4	70	00							000	000
Property Through 12/31/03 E. Modification of Tax Credit for Electricity Produced	tyba 12/31/00	-51	-74	-72	-26							-223	-223
•	DOE	70	-121	124	47	_	_	_	_	-5	-5	-374	-400
From Renewable Resources [8] F. Credit for Certain Energy Efficient Motor Vehicles	[9]	-78 	-121	-124 	-47 -168	-5 -69	-5 3	-5 2	-5 2	-5 1	-5 	-237	-400 -229
Total of Tax Incentives for Conservation	• •	-131	-197	-228	-100 -314	-09 - 198	-132	-140	-146	-154	-162	-237 -1,067	-229 -1,801
Total of Tax incentives for Conservation		-131	-197	-228	-314	-196	-132	-140	-140	-134	-162	-1,067	-1,801
Additional Tax Provisions													
A. Limit the Use of the Non-Accrual Experience Method													
of Accounting to Amounts That are to be Received for													
the Performance of "Qualified Personal Services"	tyea DOE	89	60	33	28	10	12	14	16	18	20	220	300
B. Allow Safe-Harbor Test for Independent Contractor	•												
Status for High Tech Workers [10]	pa DOE	-15	-16	-17	-18	-19	-21	-22	-23	-25	-26	-86	-203
C. Modify the Personal Holding Company "Lending or	·												
Finance Business" Exception	tyba 12/31/00	-5	-11	-20	-26	-28	-28	-29	-30	-30	-31	-90	-237
Individuals Permitted to Claim a Deduction Under Section 170 Not Exceeding \$7,500 Per Tax Year for Certain Expenses Incurred in Carrying Out	·												
Sanctioned Whaling Activities	tyea 12/31/00	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-3
· ·	•												

Provision	Effective	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-05	2001-10
E. Impose Excise Tax on Purchase of Structured Settlements	ao 30da DOE	[5]	[5]	[5]	[5]	[5]	[3]	-1	-1	-1	-1	[5]	-4
Total of Additional Tax Provisions		33	-4	-16	-37	-37	-38	-38	-38	-38	43	-147	
NET TOTAL		1,006	-2,231	-3,721	-3,964	-3,773	-3,931	-4,234	-4,923	-5,875	-6,108	-14,694	-39,773

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

ara = amounts received after

ao = acquisitions occurring bia = bonds issued after

cmo/a = contributions made on or after

cyba = calendar years beginning after

dda = decedents dying after

di = distributions in

DOE = date of enactment

doia = discharges of indebtedness after

eara = education awards received after

eia = expenditures incurred after

epoia = expenditures paid or incurred after

epoiba = expenditures paid or incurred beginning after

pa = periods after

pma = payments made after

ppiso/a = property placed in service on or after

ppisa = property placed in service after

proaa = payments received or accrued after

pra = payments received after

gima = qualified investments made after

sa = sales after

tyba = taxable years beginning after

tyea = taxable years ending after

30da = 30 days after

- [1] Area may be designated as a renewal zone any time after the date of enactment and before 1/1/02. The tax benefits generally become effective after 12/31/01 and terminate on 12/31/09. For existing empowerment zones, the zero-percent capital gains rate becomes effective after the date of enactment.
- [2] Estimate provided by the Congressional Budget Office.
- [3] Loss of less than \$500,000.
- [4] The proposal generally would be effective with respect to service performed beginning on or after the date of enactment. Under a transition rule, service performed in the employ of an Indian tribe would not be treated as employment for FUTA purposes if: (1) it is service which is performed before the date of enactment and with respect to which FUTA tax has not been paid; and (2) such Indian tribe reimburses a State unemployment fund for unemployment benefits paid for service attributable to such tribe for such period.
- [5] Gain of less than \$500,000.
- [6] Estimate includes interaction with private activity bond provisions.
- [7] With respect to areas for which the Director of FEMA authorized the minimum Federal share of the cost of the repair, restoration, and replacement of damaged facilities to exceed 75%.
- [8] Estimate includes electricity produced from biomass, landfill gas, and biomass co-fired with coal. Credit applies to electricity produced after 12/31/00, from facilities placed in service before 1/1/02. In the case of landfill gas, the credit applies to facilities placed in service after 12/31/99, and before 1/1/02. For electricity produced from landfill gas and biomass, with the exception of biomass co-fired with coal, qualified facilities would receive a credit for electricity produced for the 3-yer period beginning on the date the facility was placed in service.
- [9] Provision is effective after 12/31/03 and before 1/1/05.
- [10] Estimate includes revenue loss to Social Security Trust Fund.